

UNITE HERE!

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Statement of Sue Silvestro, President, UNITE HERE Local 217; Laurie Kennington, President, UNITE HERE Local 34; and Bob Proto, President, UNITE HERE Local 35 before the Committee on Labor and Public Employees, March 5, 2014, regarding SB 858, An Act Concerning Employees Who Customarily and Regularly Receive Gratuities and the Minimum Fair Wage.

Chairman Gomes, Chairman Tercyak, Members of the Committee, thank you for the opportunity to present testimony on the critical protections for low wage workers that SB 858 seeks to address.

We are Presidents of UNITE HERE Locals 34, 35 and 217. Our union represents tens of thousands of tipped workers in hotels, casinos and restaurants across the United States, and our nearly 7,000 Connecticut members include hotel workers in Stamford, New Haven and Hartford.

We are encouraged that the committee has taken this issue on. Tipped workers should receive the same protections as all other workers. Workers in the hospitality and food service industries are struggling, including many of the 34,000 restaurant and hotel workers in Connecticut who are guaranteed only \$5.78 per hour.

Don't imagine that receiving tips as part of your income is a ticket to the middle class – tipped workers are twice as likely to live in poverty as workers who do not regularly receive gratuities, and in Connecticut, the median tipped worker barely makes above the minimum wage after tips. Without the stability of a fair base wage, tipped workers have no predictable income and no way to plan to meet their families' needs.

We hope you understand who our members and hospitality workers in general really are. Hotel and food service work is traditionally "women's work" in our society. 70% of tipped workers are women, and in our industries they are often African-American, Latina and other immigrants from all over the world. Eliminating the tip credit is not only the right thing to do for workers, it's also a step toward pay equity for women and people of color.

While we are glad that the committee is taking on this vital issue, we have serious concerns about SB 858 as drafted. The bill leaves a \$.35 credit for employers – workers should have the full value of the minimum wage. The bill also must clearly establish that gratuities are the sole property of the worker and prohibit employers from keeping a portion of workers' wages to pay credit card company fees.

The federal Department of Labor has conducted thousands of wage and hour investigations of restaurants and found more than four out of five to be non-compliant. There is no credible evidence that eliminating the tip credit will harm Connecticut's vibrant restaurant industry. The industry's own data show that restaurant growth in states without a tipped worker credit exceeds the national average.

We urge the committee to strengthen SB 858 to provide the full protection of the Connecticut minimum wage and wage and hour laws to workers struggling in low-wage industries and pass the bill. Tipped workers need to make a decent living, and the state of Connecticut must act to ensure they have a chance.